

**REQUEST FOR PROPOSAL: REIMBURSEMENT CLEARINGHOUSE**  
**Facilitating Shared Use in the 3100-3550 MHz**  
**Band, WT Docket No. 19-348**

**I. Overview**

This request for proposal (“RFP”) provides important information for entities that wish to act as the neutral, independent Clearinghouse responsible for managing the collection and distribution of relocation reimbursement payments from new licensees in the 3.45-3.55 GHz band (“3.45 GHz band”) to non-federal secondary radiolocation incumbents in accordance with the procedures set forth in the Federal Communications Commission’s (“Commission”) March 18, 2021, *Second Report and Order, Order on Reconsideration, and Order of Proposed Modification* (“*Second Report and Order*”) and November 10, 2022, *Order* regarding the 3.45 GHz band.<sup>1</sup>

In its *Second Report and Order* the Commission established procedures to reform the use of the 3.45 GHz band to make it available for flexible use, including 5G, throughout the United States via a public auction (“Auction 110”). New flexible-use licensees in the 3.45 GHz Service are required to reimburse secondary, non-federal radiolocation licensees for reasonable costs related to the relocation of their operations from the 3.3-3.55 GHz band to the 2.9-3.0 GHz band, including the costs of a relocation clearinghouse’s administration of the reimbursement.<sup>2</sup> Reimbursement costs for such relocation will be shared by all 3.45 GHz Service licensees, regardless of location, rather than only those whose licenses would otherwise have been encumbered by the relocating incumbent operations in compliance with the *Second Report and Order*.

The Commission also invited a committee of stakeholders in the 3.45 GHz band (the “Search Committee”) to select, based on certain criteria, a neutral, independent Reimbursement Clearinghouse (“Clearinghouse”) that will collect and distribute relocation payments, audit entities that receive reimbursements, and address cost disputes among parties. The Commission also instructed the Search Committee to notify the Commission of its choice of Clearinghouse, after which the Commission’s Wireless Telecommunications Bureau (“Bureau”) will solicit public comment on the selected entity and issue a final order announcing whether the selected entity meets the relevant criteria set forth in the *Second Report and Order*.<sup>3</sup>

Pursuant to the procedures set forth in the *Order*, the Clearinghouse must enter into a contract with any licensee that so requests on terms and conditions that are materially the same as those negotiated by other licensees. The *Order* further requires that the Clearinghouse enter into contracts with two incumbents and a sufficient number of new entrant licensees holding the

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<sup>1</sup> *Facilitating Shared Use in the 3100-3550 MHz Band*, WT Docket No. 19-348, Second Report and Order, Order on Reconsideration and Order of Proposed Modification, FCC 21-32 (rel. Mar. 18, 2021) (“*Second Report and Order*”); *Facilitating Shared Use in the 3100-3550 MHz Band*, WT Docket No. 19-348, Order, DA 21-1188 (rel. Nov. 10, 2022) (“*Order*”).

<sup>2</sup> See *Second Report and Order* ¶ 155.

<sup>3</sup> See *Order* ¶ 27.

majority of 3.45 Service licenses. The contracts will memorialize and make enforceable by a court, the parties to the contract, and/or the Commission (in the case of a violation of a Commission requirement) the obligations on which the Clearinghouse selection was made. The contracts should be consistent with the requirements of the *Second Report and Order*, the *Order*, the Commission's rules, this RFP, and the selectee's RFP responses. Such contracts should address issues such as any limitations on liability, audits, and any such other commercially reasonable terms as may be expected to be included in contracts of this nature. The Clearinghouse must accept full liability for the performance of its responsibilities, including liability for negligence or intentional misconduct in any contracts it enters into with incumbent and new, flexible-use licensee stakeholders, and the Clearinghouse cannot obviate its liability through use of a limited liability corporation or other structural mechanism. The Clearinghouse selectee must submit such contracts to the Search Committee. The Search Committee must review the contracts and notify the Bureau whether or not the contracts are approved and whether or not the Clearinghouse selection is finalized, subject to the Bureau's determination that the selection criteria have been satisfied.

## II. Clearinghouse Selection Criteria

Any existing or newly formed entity interested in serving as the Clearinghouse to oversee the cost-related aspects of the transition in a fair, transparent manner must meet the following requirements:

- *Neutrality and Independence.* The entity must be neutral and independent, and applicants must fully disclose any actual or potential organizational or personal conflicts of interest or appearance of such conflict of interest of the applicant or its officers, directors, employees, and/or contractors. More specifically, the entity must have no financial interests in, and the entity's board members must be independent of any incumbent claimants, and any entity that has, or seeks to acquire, flexible-use licenses in the 3.45 GHz band. The entity's board members, officers, directors, employees, and/or contractors should have no financial or organizational conflicts of interest.<sup>4</sup>
- *Financial, Accounting, Auditing, and Industry Expertise.* The entity must be able to demonstrate that it has or will hire a consultant with the requisite expertise to perform the duties required of the Clearinghouse, including, but not limited to, collecting and distributing relocation expense reimbursement disbursements, determining the reasonableness of reimbursement claims under the Commission's rules, auditing entities that receive reimbursements, and mediating cost disputes. The entity must demonstrate expertise in radiolocation technology, including with respect to the broadcasting

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<sup>4</sup> "Organizational conflicts of interest" means that because of other activities or relationships with other entities, the Clearinghouse, its contractors, or significant subcontractors are unable or potentially unable to render impartial services, assistance or advice; the Clearinghouse's objectivity in performing its function is or might be otherwise impaired; or the Clearinghouse might gain an unfair competitive advantage. "Personal conflict of interest" means a situation in which an employee, officer, or director of the Clearinghouse, the Clearinghouse's contractors or significant subcontractors has a financial interest, personal activity, or relationship that could impair that person's ability to act impartially and in the best interest of the transition when performing their assigned role, or is engaged in self-dealing.

industries. The entity must also be familiar with the *Second Report and Order* the Order and all applicable Commission rules, policies, and procedures.

- *Best Practices and Operational Standards.* In administering the reimbursement of claims in its role as Clearinghouse, the entity must be able to: (1) engage in strategic planning and adopt goals and metrics to evaluate its performance; (2) adopt internal controls for its operations; (3) use enterprise risk management practices; and (4) use best practices to protect against improper payments and to prevent fraud, waste, and abuse in its handling of funds. The entity must also be able to create written procedures for its operations, using the Government Accountability Office’s Green Book as a guide in satisfying such requirements.<sup>5</sup>
- *Privacy and Data Security.* The entity must already have in place or be able to adopt robust privacy and data security best practices in its operations, given that it will receive and process information critical to ensuring a successful and expeditious transition. This includes: (i) complying with, on an ongoing basis, all applicable laws and Federal government guidance on privacy and information security requirements such as relevant provisions in the Federal Information Security Management Act (FISMA),<sup>6</sup> National Institute of Standards and Technology (NIST) publications, and (ii) (A) hiring a third-party firm to independently audit and verify, on an annual basis, the Clearinghouse’s compliance with privacy and information security requirements and to provide recommendations based on any audit findings; (B) correcting any negative audit findings and adopting any additional practices suggested by the auditor; and (C) reporting the results to the Bureau annually beginning April 1, 2024.

### **III. Clearinghouse Role and Duties**

#### **A. Duties Pertaining to the Clearinghouse’s Ongoing Operations**

The Clearinghouse will operate pursuant to Commission rules and oversight, to mitigate financial disputes among stakeholders, and to collect and distribute payments in a timely manner, and shall:

- Operate in a fair and transparent manner.
- Specify timing for the reimbursement process.
- Specify a procedure for the submission of relocation cost documentation and provide parties an opportunity to supplement any reimbursement claims that the Clearinghouse deems deficient.

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<sup>5</sup> U.S. Government Accountability Office, *Standards for Internal Control in the Federal Government* (2014) (“Green Book”).

<sup>6</sup> Federal Information Security Management Act of 2002 (FISMA 2002), enacted as Title III, E-Government Act of 2002, Pub. L. No. 107-347, 116 Stat. 2899, 2946 (Dec. 17, 2002) was subsequently modified by the Federal Information Security Modernization Act of 2014 (Pub. L. No. 113-283, Dec. 18, 2014). As modified, FISMA is codified at 44 U.S.C. § 3551 *et seq.*

- Adopt a process for protecting confidential information.
- Collect from each non-federal relocation incumbent a claim for reimbursement, complete with sufficient documentation to justify the amount, as well as a demonstration of the reasonableness of those costs.
- Consider the submission and supporting documentation and any relevant comparable reimbursement submissions, determine in the first instance whether costs submitted for reimbursement are reasonable and process claims consistent with the *Second Report and Order* and any clarifications issued by the Commission or the Bureau. If the Clearinghouse determines that an amount sought for reimbursement is impermissible or unreasonable, it shall notify the party of any amount that it deems eligible for reimbursement.
- Apportion costs among 3.45 GHz Service licensees pursuant to the cost allocation structure established in the *Second Report and Order* and the Commission's rules. Approved, adjusted, or denied claims shall be simultaneously transmitted to the relevant claimant and invoiced to the 3.45 GHz Service licensees, allowing 30 days for review.
- Hold deposits to minimize the risk of loss (e.g., all funds collected for reimbursement must be placed in a reputable financial institution and may only be invested in U.S. Treasury bonds).
- Distribute payments to incumbent radiolocation licensees pursuant to the *Second Report and Order* and the Commission's rules.
- Respond promptly to incumbent requests regarding the tracking of the progress of their reimbursement claims and checking the status of their reimbursement payments.
- Establish and administer the reimbursement fund into which flexible-use licensees shall pay their share of the initial estimated relocation payments and from which the Clearinghouse shall draw to pay approved, invoiced claims and lump-sum payments, including: (i) calculating the 3.45 GHz Service licensees' share of relocation costs at least every six months, with the discretion to calculate the share on a more frequent basis as needed; (ii) providing each licensee with the amount it owes no more than 30 days after each period that it calculates the licensees' share of relocation costs; (iii) drawing from the reimbursement fund to pay approved reimbursement claims; (iv) paying approved claims 30 days after invoice submission to the relevant claimant and 3.45 GHz Service licensees for their review so long as (A) funding is available and (B) there is no dispute regarding the underlying Clearinghouse decision before the Bureau; (v) if the reimbursement fund does not have sufficient funds to pay approved claims before a six-month replenishment, providing 3.45 GHz Service licensees with 30 days' notice of the additional shares each must contribute; (vi) defraying the costs of the transition for all 3.45 GHz Service licensees on a pro rata basis using any interest arising from the reimbursement fund; and (v) at the end of the transition, returning any unused amounts to the 3.45 GHz Service licensees according to their pro rata shares.

- Forty-five days after the Clearinghouse has entered into contracts with incumbents and new licensees, the Clearinghouse shall calculate the share of each 3.45 GHz Service licensee based upon the reimbursement documentation received from the incumbents; the initial share shall incorporate any relocation-related costs incurred prior to the issuance of new flexible-use licenses (May 4, 2022) as well as from the time of issuance until the time of calculation.
- Serve as administrator in a function similar to a special master in a judicial proceeding in order to resolve disputes.
- To minimize the need for referral of disputes to the Bureau, and for other purposes, seek advance guidance from the Bureau, as appropriate, when resolving matters where interpretation of the *Second Report and Order* is required.
- Each quarter, starting no later than April 1, 2024, the Clearinghouse shall submit progress reports to the Bureau that detail the status of reimbursement funds available, the payments issued, and the amounts collected from licensees. The reports must account for all funds spent, including the Clearinghouse's own expenses (including salaries and fees paid to law firms, accounting firms, and other consultants). The Clearinghouse shall provide to the Bureau and the Commission's Office of the Managing Director ("OMD") additional information upon request.
- Provide additional information to the Bureau or the OMD upon the Bureau or OMD's request.
- No later than May 10, 2024 (18 months after the release of the *Order*), the Clearinghouse must issue a special, audited report identifying any issues that have not already been referred to the Commission as well as what actions, if any, need to be taken for the Clearinghouse to complete its obligations (including the estimated costs and time frame for completing that work).
- Meet relevant best practices and standards in its operation to ensure an effective and efficient transition, including: (1) engaging in strategic planning and adopting goals and metrics to evaluate its performance; (2) adopting internal controls for its operations; (3) using enterprise risk management practices; and (4) using best practices to protect against improper payments and to prevent fraud, waste, and abuse in its handling of funds. The Clearinghouse shall report to the Commission all evidence and/or allegations of suspected fraud, waste, or abuse related to the 3.45 GHz relocation program, along with an initial assessment of their credibility and substantiality, and shall establish procedures enabling outside parties to report allegations of fraud, waste, or abuse to the Clearinghouse, and maintain a log of all such allegations that it receives.
- Create written procedures for governing its operations, using the Government Accountability Office's Green Book to serve as a guide in satisfying such requirements.

- Provide OMD and the Bureau with an audited statement of funds expended to date, including salaries and expenses of the Clearinghouse, by April 1 of each year beginning in 2024.
- Adopt robust privacy and data security best practices in its operations, given that it will receive and process information critical to ensuring a successful and expeditious transition, including: (i) complying with, on an ongoing basis, all applicable laws and Federal government guidance on privacy and information security requirements such as relevant provisions in the Federal Information Security Management Act (FISMA),<sup>7</sup> National Institute of Standards and Technology (NIST) publications, and (ii) (A) hiring a third-party firm to independently audit and verify, on an annual basis, the Clearinghouse's compliance with privacy and information security requirements and to provide recommendations based on any audit findings; (B) correcting any negative audit findings and adopting any additional practices suggested by the auditor; and (C) reporting the results to the Bureau annually beginning April 1, 2024.

#### **B. Compensation for Duties Performed**

3.45 GHz Service licensees will each pay their proportionate share of expenses related to the Clearinghouse and Clearinghouse staff. The Clearinghouse shall include its own reasonable costs in the cost estimates it uses to collect payments from 3.45 GHz Service licensees. The Clearinghouse shall use its best efforts to not exceed ten percent of the estimated relocation costs for administering the reimbursement program, which is three hundred and twenty thousand dollars (\$320,000.00).

#### **C. Suspension of Operations**

Upon completion of its duties, the Clearinghouse shall submit a request to wind down and suspend operations to the Bureau, which will issue a Public Notice upon receipt. If no material issues are raised within 15 days of the release of said Public Notice, the Bureau may grant the Clearinghouse's request to suspend operations on a specific date.

### **IV. Proposal Requirements**

Any entity interested in serving as the Clearinghouse should submit a business plan detailing how the entity would perform the Clearinghouse's functions, as described in the *Second Report and Order*, the *Order*, and this RFP. As per the timeline set forth below, proposals received after April 3, 2023, will not be considered.

To enable the Search Committee to determine whether proposals meet the Selection Criteria enumerated above, each proposal *at a minimum* must include:

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<sup>7</sup> Federal Information Security Management Act of 2002 (FISMA 2002), enacted as Title III, E-Government Act of 2002, Pub. L. No. 107-347, 116 Stat. 2899, 2946 (Dec. 17, 2002) was subsequently modified by the Federal Information Security Modernization Act of 2014 (Pub. L. No. 113-283, Dec. 18, 2014). As modified, FISMA is codified at 44 U.S.C. § 3551 *et seq.*

*General Information:*

- The name and a description of the entity proposing to serve as the Clearinghouse.
- The name, address, telephone number, and signature of a contact person familiar with the proposal.
- An affirmative representation that the entity will enter into contracts with the two incumbents and a sufficient number of new entrant licensees holding the majority of 3.45 GHz Service licenses that memorialize and make enforceable by a court, the parties to the contract, and/or the Commission (in the case of a violation of a Commission requirement) the obligations upon which the Clearinghouse selection is made.

*Neutrality and Independence:*

- A description of how the entity is and would remain impartial while serving as Clearinghouse, including how it has determined that it has no conflicts of interest and how it would prevent any such conflicts while serving as Clearinghouse.
- A detailed description of the transparency measures the entity would implement.

*Financial, Accounting, Auditing, and Industry Expertise:*

- A description of the entity's experience in the communications industry and other qualifications.
- A description of the entity's financial, accounting, and auditing expertise.
- A description of the extent to which the entity has prior experience managing funds, including the collection and distribution of payments.
- A description of the entity's familiarity with the *Second Report and Order*, the *Order*, and applicable Commission rules.
- A list and description of the individuals and/or contractors that would collectively fulfill the Clearinghouse's obligations, including respected third parties with expertise in the radiolocation and broadcasting industries. CVs of relevant team leaders and experts should be included.
- A description of how the entity would resolve cost disputes consistent with paragraphs 33 and 38 of the *Order*, including a description of any prior experience the entity has in resolving such disputes and proposed procedures for mediating disputes.

*Best Practices and Operational Standards:*

- Information regarding financial data, including business plans, start-up funds and ongoing costs sufficient to demonstrate the entity would remain solvent throughout the transition period.

- A proposal for the Clearinghouse’s anticipated total expenses (including salaries and fees paid to law firms, accounting firms, technical and engineering experts, and other consultants, as well as billing rates for all staff and third-party consultants).
- A detailed description of accounting methods that would be used to administer the Clearinghouse.
- A detailed description of best practices that would be employed to protect against improper payments and to prevent fraud, waste, and abuse in its handling of funds.
- A proposal for establishing goals and metrics for assessing the entity’s performance as Clearinghouse.
- A description of the entity’s experience with enterprise risk management practices.
- A description of the extent to which the entity has experience with creating written procedures using the Government Accountability Office’s Green Book.

*Privacy and Data Security:*

- A description of how the entity intends to address concerns about the confidentiality, privacy, and data security of information submitted to it, consistent with paragraph 23 of the *Order*, and a description of data security and privacy measures the entity would take to safeguard such submitted information, including off-site data back-up facilities; measures to ensure continuity of access to the information in the event the entity’s operations are interrupted; and measures to safeguard the information against unauthorized access.
- A description of the extent to which the entity has experience with ensuring compliance with Federal privacy and information security requirements, including the Federal Information Security Management Act, National Institute of Standards and Technology publications, and Office of Management and Budget guidance.

*Other Information:*

- An assessment of how long it would take the entity to become operational as the Clearinghouse.
- An assessment of how many days it would take the entity to notify 3.45 GHz Service licensees of a payment obligation.
- A discussion of any other matters the entity believes are relevant to the Search Committee under the *Order and the Second Report and Order*.

The Search Committee will evaluate the proposals by balancing the Clearinghouse Selection Criteria specified in the Commission’s rules and this RFP, focusing in particular on the entity’s qualifications, plans for operation, and time required to become operational, and an overall assessment of the details of each entity and its proposal. Once selected, the Clearinghouse must operate in accordance with the *Order, Second Report and Order*, and the Commission’s rules.



## **V. Selection Timeline**

- March 6, 2023 – Search Committee issues RFP.
- March 13, 2023 – Deadline for submission of RFP questions to the Search Committee.
- March 20, 2023 – Target date for the Search Committee to respond to questions.
- April 3, 2023 – Deadline for entities to file proposals with the Search Committee.
- April 3, 2023, through May 2, 2023 – Committee reviews RFP responses and meets with qualified potential vendors as necessary
- May 2, 2023 – Deadline for the Search Committee to notify the Bureau of its tentative choice for the Clearinghouse, which shall: (1) be contingent on the selectee's agreement to enter into contracts with incumbent and new, flexible-use licensee stakeholders prior to finalization of the selection; (2) fully disclose any actual or potential organizational or personal conflicts of interest or appearance of such conflict of interest of the Clearinghouse or its officers, directors, employees, and/or contractors; and (3) anticipated costs and expenses of the Clearinghouse.
- July 3, 2023 – Deadline for each non-federal radio location incumbent majority in interest (by licenses) of 3.45 GHz licensees to enter into contracts with Clearinghouse.
- Aug. 1, 2023 – Deadline for Search Committee review/approval of contracts between licensees and Clearinghouse.

The Search Committee will base its decision on the information provided and inform the Bureau accordingly. The entity selected by the Search Committee and found to have satisfied the criteria in the *Second Report and Order* will enter into individual contracts with each non-federal radiolocation incumbent and a majority in interest of the 3.45 GHz Service licensees.

## **VI. Filing Instructions, Questions and Comments Submission, and Contact Person**

### **A. Filing Instructions**

Submissions must be filed electronically. Submissions may be shared with employees of each stakeholder organization as well as companies that are members of CCA and CTIA, as well as Commission staff, but will not be made available to other respondents during the selection process. Respondents should be aware that the response of the entity selected as the Clearinghouse, including any supplements, will be filed in the Commission's public docket on May 2, 2023. Entities are strongly encouraged to avoid submitting proposals with confidential information, but respondents submitting proposals may identify portions of their submissions with a request for confidential treatment. Confidential information will only be made available to the two representatives designated as members of the stakeholder committee by each stakeholder, as well as relevant Commission staff. To the extent any entity seeks confidential treatment, it should limit as much as possible the scope of the information designated as

confidential and, if any portion of the submission will be designated as confidential, respondents should submit a redacted version in addition to the full submission.

Submissions should be emailed to [ReimbursementClearinghouse@gmail.com](mailto:ReimbursementClearinghouse@gmail.com) and addressed to the Clearinghouse Search Committee. The Search Committee will respond by email to confirm receipt. If an applicant does not receive an email, please contact Christiaan Segura at the email or telephone number below.

Should an applicant wish to implement additional security measures in submitting its proposal, please contact Christiaan Segura at the email or telephone number below in advance of the submission deadline.

**B. Questions and Comments Submission**

Entities may submit questions and/or comments regarding the substance of the RFP by sending an email to [ReimbursementClearinghouse@gmail.com](mailto:ReimbursementClearinghouse@gmail.com).

**C. Contact Person**

For further information or general inquiries, contact:

Christiaan Segura  
Director, Regulatory Affairs  
CTIA  
[csegura@ctia.org](mailto:csegura@ctia.org)  
(202) 736-3235